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കേരള ഗസറ്റ് KERALA GAZETTE

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PART IV

Private Advertisements and Miscellaneous Notifications

INDIA PEPPER AND SPICE TRADE ASSOCIATION, KOCHI

NOTIFICATION

The Securities and Exchange Board of India (SEBI), in exercise of its powers under section 9 of the Securities Contract (Regulation) Act, 1956 has vide its letter No. SEBI/HO/CDMRD/DEA/OW/P/2016/26956 dated September 26th 2016 approved the amendments made in Byelaws of India Pepper and Spice Trade Association, Kochi.

Following are the amendments made in the existing Bye-Laws (hereinafter referred to as Original Byelaws) of India Pepper and Spice Trade Association, Kochi.

1. In clause 1, sub clause (i) the words “Exchange/IPSTA” has been inserted after the word Association.

2. In clause 1 sub clause (iv), following clause 1 (iv) (a) has been inserted: “Public Interest Directors means an independent director representing the interest of the investors in the market and who is not having any association, directly or indirectly, which in the opinion of the SEBI is in conflict with his role”.

3. In clause 1 sub clause (vi), following clause 1 (vi) (a) has been inserted:

“key management personnel” means a person as defined under the section 2(1) (i) of the SECC Regulations 2012”.

4. In clause 1, sub clause (vi), following clause 1(vi) (b) has been inserted: “Regulatory Department means a department of the Exchange entrusted with regulatory powers and duties and includes such departments as may be specified by SEBI”.

5. In clause 1, sub clause (x) the following has been inserted:

“Members shall mean the Members of the Association who have been duly elected or nominated by the Board and shall include Ordinary Members, Trading Members, Trading and Clearing Members, and Professional Clearing Member; Member shall in general mean Ordinary Member”.

6. In clause 1 sub clause (x) the following clause 1 (x) (a) has been inserted:

“Ordinary Member shall mean any member having a voting right in the exchange, however trading rights can be exercised only after registering with the SEBI”.

7. In clause 1 sub clause (xi) the following has been substituted:

“Trading Member means a member to execute trades on his own account as well as on account of his clients but, clearing and settlement of trades executed through the Trading Member would have to be done through a Trading-cum Clearing Member or Professional Clearing Member of the Exchange”.

8. In clause 1 sub clause (xii) the following has been substituted:

“Clearing Member shall mean any Member who has the right to clear transactions in contracts permitted by the Securities Exchange Board of India (SEBI), and shall be registered with the Securities Exchange Board of India (SEBI)”.

9. In original Byelaws, Clause 1 sub clause (xiii) has been Deleted.

10. In clause 1 sub clause (xv), “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

11. In clause 1 sub clause (xvi), “for the words Forward contracts, the words Commodity Derivative contracts has been substituted. Also for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

12. In clause 1 sub clause (xvii) “for the words Domestic Division the words IPSTA Trade division has been substituted also for the words Forward contracts, the words Commodity Derivative contracts has been substituted”.

13. In original Byelaws, Clause 1 sub clause (xviii) has been Deleted.

14. In clause 1 sub clause (xix), the following has been substituted:

“Clearing House means the company designated and authorized by the Board, permitted by the Central Government to operate the Designated Clearing House in respect of Commodity Derivative in pepper and other commodities transacted in the IPSTA Trade Division”.

15. In clause 1 sub clause (xx), the following has been substituted:

“Designated Clearing House means the Designated Clearing House’s premises where and the system by which the claims and liabilities of Clearing to the Clearing House in respect of Commodity Derivative contracts in pepper and other commodities transacted in the IPSTA Trade Division are received registered, adjusted and paid”.

16. In clause 1 sub clause (xxii), “for the words Domestic Division the words IPSTA Trade division has been substituted”.

17. In Clause 1 sub clause (xxiii), the following has been substituted:

“Designated Clearing House Committee means the Committee jointly appointed by the Board of the Association and Designated Clearing House for the management of the Designated Clearing House and for giving decisions (subject to the right of appeal to the Board of the Designated Clearing House) on disputes relating or pertaining to the functioning of the Designated Clearing House in respect of transactions in the IPSTA Trade Division”.

18. In Clause 1 sub clause (xxiv), the following has been substituted:

“Settlement price means the price fixed by the Boards of IPSTA and Designated Clearing House based on price Quotations disseminated in accordance with procedures of the Association for the purpose of payment to and from Designated Clearing House, Clearing Members, Ordinary Members and registered non-members of differences or dues pertaining to outstanding transactions in respect of the IPSTA Trade Division”.

19. In clause 1 sub clause (xxvi), “for the words Domestic Division the words IPSTA Trade division has been substituted”.

20. In clause 1 sub clause (xxvii), “for the words IPSTA International Commodity Exchange Division the words IPSTA Trade division has been substituted”.

21. In clause 1 sub clause (xxviii), “for the words Domestic Division the words IPSTA Trade division has been substituted”.

22. In original Byelaws, Clause 1 sub clause (xxix) has been Deleted.

23. In clause 1 sub clause (xxx), “for the words IPSTA International Commodity Exchange Division the words IPSTA Trade division has been substituted”.

24. In clause 1 sub clause (xxxi), “for the words Forward contracts, the words Commodity Derivative contracts has been substituted. Also for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

25. In clause 1 sub clause (xxxii), “for the words Forward contracts, the words Commodity Derivative contracts has been substituted”.

26. In clause 1 sub clause (xxxiii), “for the words Forward contracts, the words Commodity Derivative contracts has been substituted”.

27. In clause 1 sub clause (xxxiv), “for the words Forward contracts, the words Commodity Derivative contracts has been substituted”.

28. In clause 1 sub clause (xxxvi), “for the words Forward Contracts Regulation Act, 1952, the words Securities Contracts Regulation Act, 1956, has been substituted”.

29. In clause 1 sub clause (xxxvii) (a), “for the words Forward Contracts Regulation Act, 1952, the words Securities Contracts Regulation Act, 1956, has been substituted”.

30. In clause 1 sub clause (xxxvii) (b), the following has been substituted:

“Transferable specific delivery contract” means a specific delivery contract which is not a non-transferable specific delivery contract and which is subject to such conditions relating to its transferability as the Central Government may by notification in the Official Gazette, specify in this behalf”.

31. In clause 1 sub clause (xxxviii), the following has been substituted: “commodity derivative” means a contract for the delivery of such goods, as may be notified by the Central Government in the Official Gazette, and which is not a ready delivery contract; or for differences, which derives its value from prices or indices of prices of such underlying goods or activities, services, rights, interests and events, as may be notified by the Central Government, in consultation with the Board, but does not include securities as referred to in sub-clauses (A) and (B) of clause (ac); of the Securities Contract Regulation Act 1956.

32. In clause 1 sub clause (xlvii), “for the words Forward contracts, the words Commodity Derivative contracts has been substituted”.

33. In clause 1 sub clause (xlviii), “for the words Forward contracts, the words Commodity Derivative contracts has been substituted”.

34. In clause 1 sub clause (liii), the following has been substituted: “SEBI” means Securities Exchange Board of India (SEBI).

35. In clause 1 sub clause (liii), following clause 1 sub clause (liii) (a), and 1 sub clause (liii) (b), has been inserted respectively:

Act means “Securities Contract Regulation Act 1956”

“rules” means the Securities Contracts (Regulations) Rules, 1957.

36. In clause 2 sub clause (i), the following has been substituted:

“There shall be Four classes of members: Ordinary Members, Trading Member, Trading cum Clearing member and Professional Clearing Members”.

37. In clause 2 sub clause (ii), following has been substituted:

“Ordinary Members shall consist of individuals, firms, joint stock companies, corporations and others engaged in the trading of pepper and other commodities and be qualified for membership under Article 4 and who have paid the fees as prescribed in Article 5 Ordinary Members in the IPSTA Trade Division of the Association shall be

further classified into four categories (1) Ordinary Members, (2) Trading Members, (3) Trading-cum-Clearing Members and (4) Professional Clearing Member. Trading Members in the IPSTA Trade Division of the Association shall be registered with the SEBI”.

38. In original Byelaws, Clause 2 sub clause (iii) has been Deleted.

39. In clause 2 sub clause (iv), following clause 2 sub clause (iv) (a), 2 sub clause (iv) (b), and 2 sub clause (iv) (c), has been inserted respectively.

“2 sub clause (iv) (a) Trading member category of membership entitles a member to execute trades on his own account as well as on account of his clients but, clearing and settlement of trades executed through the trading member would have to be done through a trading cum clearing member or professional clearing member of the exchange”. “2 sub clause (iv) (b) Trading cum clearing member are entitled to trade on their own account as well as on account of their clients, TCMs can also clear and settle these trades themselves”.

“2 sub clause (iv) (c) Professional Clearing Membership entitles the members only to clear and settle the trades executed by their clients. Corporations, Companies or Institutions or Subsidiaries of such Corporations, Companies or Institutions set up for providing financial services are eligible to apply for membership, subject to the regulatory norms and provisions of Securities Contract (Regulation) Act, 1956 and as provided in the Rules, Regulations, Byelaws and Circulars of the Exchange”.

40. In clause 2 sub clause (v) “for the words International Commodity Exchange Division the words Trade division has been substituted. Also for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

41. In clause 3 sub clause (i), “wherever the words Joint Hindu Family appears has been omitted”.

42. In clause 3 sub clause (ii), “wherever the words Joint Hindu Family appears has been omitted. Also for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

43. In clause 3 sub clause (iii), “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted. Also for the words International Commodity Exchange Division the words Trade division has been substituted”.

44. In clause 4 sub clause (i) The following has been substituted,

“The entrance fee and the annual subscription payable by Ordinary Members in the Division for the time being shall be Rs. 15,000 and Rs. 1,500 respectively. In addition, an Ordinary Member shall also pay a security deposit of Rs. 500 for the time being which shall bear no interest. The member shall not be entitled to withdraw the

security deposit so long as the continues to be an Ordinary Member of the Association. The entrance fee and the annual subscription payable by an Professional Clearing Member for time being shall be Rs. 1,00,000 and Rs. 10,000 respectively”.

45. In original Byelaws, Clause 4 sub clause (ii) has been Deleted.

46. In clause 5, “wherever the words Joint Hindu Family appears has been omitted. Also for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

47. In clause 8 “for the words forward and other contracts, the words Commodity Derivative contracts has been substituted”.

48. In clause 8 sub clause A,” for the words Forward contracts, the words Commodity Derivative contracts has been substituted. Also for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

49. In clause 8 sub clause B “for the words Forward and other contracts, the words Commodity Derivative contracts has been substituted”.

50. In clause 8 sub clause C “for the words Forward and other contracts, the words Commodity Derivative contracts has been substituted. Also for the words International Commodity Exchange Division the words Trade division has been substituted”.

51. In clause 9 “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

52. In clause 10 “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

53. In clause 12 sub clause A “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted. Also for the words Domestic Division the words IPSTA Trade division has been substituted”.

54. In clause 16 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

55. In clause 20 sub clause (i) “for the words International Commodity Exchange Division the words Trade division has been substituted”.

56. In clause 27 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

57. In clause 27 sub clause B “for the words International Commodity Exchange Division the words Trade division has been substituted”.

58. In clause 28 sub clause B, “for the words Forward Contracts Regulation Act, 1952, the words Securities Contracts Regulation Act, 1956, has been substituted. Also for the words Forward and other contracts, the words Commodity Derivative contracts has been substituted”.

59. In clause 29 “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

60. In clause 30 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

61. In clause 30 sub clause B, “for the word FOB the word Quintal has been substituted”.

62. In clause 30 sub clause F “for the words Domestic Division the words IPSTA Trade division has been substituted”.

63. In clause 31 sub clause A(i) “for the words Domestic Division the words IPSTA Trade division has been substituted”.

64. In clause 31 sub clause A(ii), “wherever the words Ordinary Member appears, has been substituted by the words Trading Member/Trading cum Clearing Member. Also for the words Domestic Division the words IPSTA Trade division has been substituted”.

65. In clause 31 sub clause A(iii), “wherever the words Ordinary Member appears, has been substituted by the words Trading Member/Trading cum Clearing Member”.

66. In clause 31 sub clause A(ii), “wherever the words Ordinary Member appears, has been substituted by the words Trading Member/Trading cum Clearing Member. Also for the words Domestic Division the words IPSTA Trade division has been substituted”.

67. In clause 32, following clause 32, 32 sub clause A, and 32 sub clause B, has been inserted respectively “32.The Exchange shall levy minimum ordinary margins of 4% on the open outstanding positions. This rate can vary from time to time depending on the directives received from SEBI”.

“32 sub clause A. Margin computation at client level: Exchanges shall levy ordinary margins at the level of each individual client comprising his positions in futures contracts across different maturities. For member level margin computation, margins shall be grossed across various clients. The proprietary positions of the member should also be treated as that of a client for margin computation”.

“32 sub clause B. Margin Collection and Enforcement: All applicable margins shall be collected by Exchanges before start of trading on the next trading day. If the member’s collateral is insufficient to cover the required margin and deposit requirements, member shall not be allowed by Exchanges to further increase his open positions”

68. In clause 33 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted. Also for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

69. In clause 34 sub clause A “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

70. In clause 34 sub clause B “for the words International Commodity Exchange Division the words Trade division has been substituted. Also for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

71. In clause 36 “for the words Forward and other contracts, the words Commodity Derivative contracts has been substituted”.

72. In clause 37 “for the words Forward and other contracts, the words Commodity Derivative contracts has been substituted”.

73. In clause 38 “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

74. In clause 39 sub clause A “for the words Forward and other contracts, the words Commodity Derivative contracts has been substituted. Also for the words Domestic Division the words IPSTA Trade division has been substituted”.

75. In clause 40 sub clause A(i) “for the words Forward and other contracts, the words Commodity Derivative contracts has been substituted. Also for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

76. In clause 42 sub clause B “for the words International Commodity Exchange Division the words Trade division has been substituted”.

77. In clause 43 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted.”

78. In clause 44 sub clause A, “wherever the words Ordinary Member appears, has been substituted by the words Trading Member/Trading cum Clearing Member. Also for the words Domestic Division the words IPSTA Trade division has been substituted”.

79. In clause 47 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

80. In clause 50 sub clause A, “wherever the words Ordinary Member appears, has been substituted by the words Trading Member/Trading cum Clearing Member. Also for the words Domestic Division the words IPSTA Trade division has been substituted”.

81. In clause 51 sub clause A, “wherever the words Ordinary Member appears, has been substituted by the words Trading Member/Trading cum Clearing Member. Also for the words Domestic Division the words IPSTA Trade division has been substituted”.

82. In clause 52 sub clause A, “wherever the words Ordinary Member appears, has been substituted by the words Trading Member/Trading cum Clearing Member. Also for the words Domestic Division the words IPSTA Trade division has been substituted”.

83. In clause 53 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

84. In clause 53 sub clause B “for the words International Commodity Exchange Division the words Trade division has been substituted”.

85. In clause 54 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

86. In clause 55 sub clause (ii) “for the words Domestic Division the words IPSTA Trade division has been substituted”.

87. In clause 56 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

88. In clause 56 sub clause B “for the words International Commodity Exchange Division the words Trade division has been substituted. Also wherever the words Ordinary Member appears, has been substituted by the words Trading Member/Trading cum Clearing Member”.

89. In clause 58 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

90. In clause 59 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

91. In clause 60 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

92. In clause 61 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

93. In clause 62 sub clause (ii) “for the words FMC the words Securities Exchange Board of India (SEBI), has been substituted”.

94. In clause 63 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted.”

95. In original Byelaws, Clause 63 sub clause (B) has been Deleted.

96. In clause 67 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted.”

97. In original Byelaws, Clause 67 sub clause (B) has been Deleted.

98. In clause 69 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted.”

99. In original Byelaws, Clause 69 sub clause (B) has been Deleted.

100. In original Byelaws, Clause 70 has been Deleted.

101. In clause 74 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted.”

102. In original Byelaws, Clause 74 sub clause B has been Deleted.

103. In clause 77 sub clause A(iii) “for the words FMC the words Securities Exchange Board of India (SEBI), has been substituted.”

104. In original Byelaws, Clause 77 sub clause B has been Deleted.

105. In clause 78 “for the words Domestic Division the words IPSTA Trade division has been substituted”.

106. In clause 80 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted.”

107. In clause 80 sub clause B, “for the words IPSTA International Commodity Exchange Division the words IPSTA Trade division has been substituted”.

108. In clause 81 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted”.

109. In clause 81 sub clause B, “for the words IPSTA International Commodity Exchange Division the words IPSTA Trade division has been substituted.”

110. In clause 83 sub clause A “for the words Domestic Division the words IPSTA Trade division has been substituted.”

111. In original Byelaws, Clause 83 sub clause B has been Deleted.

112. In clause 87 “for the words FMC the words Securities Exchange Board of India (SEBI), has been substituted”.

113. In clause 88 “for the words FMC the words Securities Exchange Board of India (SEBI), has been substituted”.

114. In original Byelaws, Clause 95 sub clause B has been Deleted.

115. In clause 111 sub clause 7, “for the words IPSTA International Commodity Exchange Division the words IPSTA Trade division has been substituted”.

116. In clause 114 “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted. Also for the words Five persons the words Fifteen persons have been substituted, and for the words Three the word Eight has been substituted.”

117. In clause 120, “for the words IPSTA International Commodity Exchange Division the words IPSTA Trade division has been substituted.”

118. In original Byelaws, Clause 121 has been Deleted

119. In clause 122, “for the words IPSTA International Commodity Exchange Division the words IPSTA Trade division has been substituted”.

120. In clause 123 “for the words FMC the words Securities Exchange Board of India (SEBI), has been substituted”

121. In clause 126 sub clause (ii) and sub clause (iii) “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted.”

122. In clause 151 sub clause (b) and sub clause (c) “for the words FMC the words Securities Exchange Board of India (SEBI), has been Substituted”.

123. In original Byelaws, Clause 156 has been Deleted.

124. In original Byelaws, Clause 157 has been Deleted.

125. In Clause 158 “for the words Commission the words Securities Exchange Board of India (SEBI), has been Substituted”.

126. In clause 159 “for the words Commission the words Securities Exchange Board of India (SEBI), has been Substituted.”

127. In clause 161 “for the words Domestic Division the words IPSTA Trade division has been substituted”.

128. In original Byelaws, Clause 162 has been Deleted.

129. In clause 163 “for the words Domestic Division the words IPSTA Trade division has been substituted.”

130. In original Byelaws, Clause 164 has been Deleted.

131. In original Byelaws, Clause 165 has been Deleted.

132. In clause 166 sub clause (1) sub clause (2) sub clause (3) & sub clause (4) “for the words Forward Market Commission the words Securities Exchange Board of India (SEBI), has been Substituted.”

133. In clause 167 sub clause (c) & sub clause (d) “for the words Forward Market Commission the words Securities Exchange Board of India (SEBI), has been Substituted.”

134. In clause 167 sub clause (B) (b) “for the words Forward Market Commission the words Securities Exchange Board of India (SEBI), has been Substituted.”

135. In clause 167 sub clause (C) (i) & sub clause (C) (ii) “for the words Commission the words Securities Exchange Board of India (SEBI), has been Substituted.”

136. In clause 167 sub clause(D) “for the words Forward Market Commission the words Securities Exchange Board of India (SEBI), has been Substituted”

137. In clause 169 sub clause (a) and sub clause (b) “for the words Commission the words Securities Exchange Board of India (SEBI), has been Substituted”

138. In clause 171 sub clause (A) (a) and sub clause (b) “wherever the words Forward Market Commission appears the words Securities Exchange Board of India (SEBI), has been Substituted”.

139. In clause 171 Sub clause (B) (i) and sub clause (B) (ii) “wherever the words Forward Market Commission appears the words Securities Exchange Board of India (SEBI), has been Substituted.”

140. In clause 172 sub clause (B) (c) and sub clause (B) (d) “wherever the words Forward Market Commission appears the words Securities Exchange Board of India (SEBI), has been Substituted. Also wherever the words Forward Contracts Regulation Act, 1952, the words Securities Contracts Regulation Act, 1956, has been substituted.”

141. In clause 173 sub clause (e) “for the words Commission the words Securities Exchange Board of India (SEBI), has been Substituted.”

142. In clause 184 sub clause (A) “for the words Domestic Division the words IPSTA Trade division has been substituted.”

143. In original Byelaws, Clause 184, sub clause (B) has been Deleted.

144. In clause 185 sub clause (A) “for the words Domestic Division the words IPSTA Trade division has been substituted.”

145. In original Byelaws, Clause 185, sub clause (B) has been Deleted.

146. In clause 189 sub clause (B)(b) “for the words Forward Market Commission the words Securities Exchange Board of India (SEBI), has been Substituted.”

147. In clause 189 sub clause (D)(i) “for the words Forward Contracts Regulation Act, 1952, the words Securities Contracts Regulation Act, 1956, has been substituted”

148. In clause 190 sub clause (B), “for the words IPSTA International Commodity Exchange Division the words IPSTA Trade division has been substituted.”

149. In clause 196, the following has been substituted.
“The fee for registration as a Broker of the Association shall be, for the time being, ₹ 250=per annum for trading in the IPSTA Trade Division”.

150. In clause 197, the following has been substituted.
“Brokers shall get their registration renewed every year on payment of ₹ 250 for trading in the IPSTA Trade Division.”

151. In clause 199 “for the words Forward Market Commission the words Securities Exchange Board of India (SEBI), has been Substituted.”

152. In original Byelaws, the following new clause 213 sub clause (1) sub clause (2) and sub clause (3) has been inserted respectively

213 clause (1) “Procedure for Appointment of Public Interest Directors shall be as per the clause 6 of the SEBI circular dated 13 December 2012”.

213 sub clause (2)” *Selection of trading members/clearing members on the Advisory Committee to the governing board:-*

Prior to appointment to the advisory committee, the governing board of the exchange shall satisfy itself that the trading members/clearing members are fit and proper persons in terms of regulation 20 of the SECC Regulations. The governing board shall frame the eligibility norms, term of office, cooling off period etc., of members of the advisory committee in consultation with the trading members/clearing members of the exchange.”

213 sub clause (3) “*Statutory Committees*

(A) Standing committee on technology, comprising of two outside experts proficient in technology and atleast one public interest director. The functions of this committee shall be to monitor whether the technology used by the exchange remains up to date and meets the growing demands of the markets, to monitor the adequacy of systems capacity and efficiency, to look into the changes being suggested by the exchange to the existing software/hardware, to investigate into problems of computerized trading system, such as hanging/slowdown/breakdown, to ensure that transparency is maintained in disseminating information regarding slowdown/breakdown in Online Trading System. The Committee shall submit a report to the Governing Board of the exchange. The Board will deliberate on the report and suitable action/remedial measure will be taken. Any stoppage beyond five minutes will be explained and reported to the Board. The Exchange shall issue a press release specifying the reasons for the breakdown.

(B) Public Interest Directors’ Committee comprising of all the public interest directors shall necessarily attend every meeting of the committee. During their meetings, the Public Interest Directors shall review the following:

(a) Status of compliance with SEBI letters/circulars.

(b) Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions.

(c) The public interest directors shall prepare a report on the working of the other committees where they are also the members. The report shall be circulated to the other public interest directors.

(d) A consolidated report shall then be submitted to the Governing Board of the exchange.

(e) The public interest directors shall identify important issues which may involve conflict of interest for the exchange or may have significant impact on the market and report the same to SEBI.

(C) Ethics Committee shall comprise of public interest directors, key management personnel and compliance officer. The functions of this committee shall be to oversee the implementation of the code of ethics.

(D) Independent external persons appointed to committees: The independent external persons shall be from amongst the persons of integrity, having a sound reputation and not having any conflicts of interests. They shall be specialists in the field of work assigned to the

committee. The exchange shall frame the guidelines for appointment, tenure, code of conduct, etc., of independent external persons. Extension of the tenure may be granted at the expiry of the tenure pursuant to a review of the contribution, record of attendance at meetings, etc.

(E) Risk Management Committee shall comprise of public interest directors and independent external experts, which shall report to the governing board, the functions of which will be to formulate a detailed risk management policy which shall be approved by the governing board.

(a) The head of the risk management department shall be responsible for implementation of the risk management policy and he shall report to the risk management committee and to the Governing Board.

(b) This committee shall monitor implementation of the risk management policy and keep the SEBI and the governing board informed about its implementation and deviation, if any.

153. In original Byelaws, the following new clause 214 has been inserted.

“Regulatory departments, Regulation 28 of the SECC Regulations mandate segregation of regulatory departments from other departments.”

154. In original Byelaws, the following new clause 215 has been inserted

“Risk Management Framework

(A) All applicable margins shall be collected by the exchange before start of trading on the next trading day. If the member’s collateral is insufficient to cover the required margin and deposit requirements, member shall not be allowed by exchange to further increase his open positions.

(B) Further the exchange will levy ordinary margins at the level of each individual client comprising his positions in futures contracts across different maturities. For member level margin computation, margins shall be grossed across various clients.

(C) The proprietary positions of the member will also be treated as that of a client for margin computation.

(D) Mark to market settlement on all open positions of clients/members will be done on a daily basis in cash. The daily settlement price will be reckoned and disseminated by the exchange at the end of every trading day”

155. In original Byelaws, the following new clause 216 has been inserted

“Maintenance of books of accounts and records as per the SECC Regulations 2012. The exchange shall maintain and preserve the books of accounts and records as per rule 14 of the SCRA Rules 1957”

(Certified True Copy)
For India Pepper and Spice
Trade Association

(Sd.)
ANAND KISHOR,
President.